

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of:)	
)	
Applications of AT&T Inc. and Deutsche)	WT Docket No. 11-65
Telekom AG for Consent to Assign or)	
Transfer Control of Licenses and)	
Authorizations)	
_____)	

IN SUPPORT OF THE AT&T / T-MOBILE MERGER
AMICUS COMMENTS OF THE NATIONAL BLACK CHURCH INITIATIVE

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Introduction

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The National Black Church Initiative (NBCI) is a coalition of 34,000 African-American and Latino churches working to eradicate racial disparities in technology, healthcare, education, housing, and the environment. The National Black Church Initiative comprises 15 denominations, 15.7 million minorities including 70,000 small business owners, and millions of users of telecommunication service. Our congregants comprise more than 11.8 million telecommunications user including personal data devices, cellular phones, personal computers, and iPads. NBCI's mission is to provide critical wellness information to all of its members, congregants, churches and the public. NBCI offers faith-based, out-of-the-box and cutting edge solutions to stubborn economic and social issues. NBCI's programs are governed by credible statistical analysis, science based strategies and techniques, and methods that work.

To address the changing needs of NBCI members and NBCI leadership network, NBCI launched technology programs with three aims:

1. Monitor the technology needs, aspirations and concerns of its member community.
2. Publicize the needs, aspirations and concerns of its member community.
3. Address the needs, aspirations and concerns of its member community.

NBCI uses several ongoing instruments to measure and evaluate of the technology habits, attitudes and concerns of its constituent members and the economics of its members.

NBCI recently surveyed member churches within three of NBCI's Faith Commands ? West Faith Command, headquartered in Oakland, California, Southwest Faith Command, headquartered in

Dallas, Texas and South Faith Command, headquartered in Atlanta Georgia ? documenting the below results:

? Have you heard of the AT&T/T-Mobile merger?

Result: 80% of NBCI members have heard of the AT&T/T-Mobile merger

? Do you believe that the AT&T/T-Mobile merger will affect you?

Result: 57% of NBCI members believe that the AT&T/T-Mobile merger will affect them

? Do you believe that the AT&T/T-Mobile merger is good for overall business?

Result: 72% of NBCI members believe that the AT&T/T-Mobile merger will benefit overall business.

NBCI members monitor major business developments in the telecommunications industry, analyzed the effect of the proposed merger, and support this merger.

This amicus comment is submitted pursuant to NBCI's recognition that its member community expects full access to current technologies. NBCI also recognizes that technology occasionally develops in ways that discourage access and heightens disparities ? given that technology enhances the success of NBCI member churches, NBCI can ill afford to ignore issues of import to the success of our membership.

Due diligence for this comment included independent research of both published and unpublished sources, surveys of NBCI membership, and the formulation of a panel to consider the implications of the merger for NBCI member churches. NBCI believes that these comments will assist the Commission in finding the best public interest justification for its decision.

Summary

In the mid nineteenth century, the son of ex-slave was approached by Alexander Graham Bell and asked to draft plans for an invention we now know as the telephone. That African American was Lewis Latimer and he was significantly responsible for turning the telephone from a dream to working device. In the annals of history Latimer is not even an afterthought.

As America transitions into an age requiring access to technology; the impact of technology development, ownership and profit on the minority community must be more than a mere afterthought.

A merger can create opportunities for both participating entities but ought to create opportunities for the individuals and community beyond the two involved parties. The merger of AT&T and T-Mobile creates important opportunities for all Americans and has particular impact on NBCI's membership. This merger will advance net neutrality, offer needed services to NBCI members and business owners, allow for the equitable development of technologies, and create platforms to advance technology within the faith based community.

The merger of AT&T and T-Mobile should be approved.

This merger will combine the resources and experience of AT&T and T-Mobile, preserving access. The wealth of resources of these combined companies will provide the capacity to guarantee the development and deployment of existing and future technologies to all, regardless of socio-economic status.

Additionally, current technologies, like broadband and wireless internet, will be expanded by a merged AT&T/T-Mobile eager to bring services to every telecommunication customer nationwide. Technology innovation requires deep pockets and a long history of consumer responsibility ? this merger will both meet and exceed those needs, creating opportunities for technology we have yet to imagine.

Equally important is the necessity of addressing the digital divide that threatens to deepen the gap between poor, minority communities and the wealthy, white communities. In a nation built on diversity, minority populations are growing exponentially and must be an every day part concern of those who govern. AT&T has a demonstrated commitment of service to minority communities and a shining commitment to diversity best practices.

A full and fair evaluation of the proposed merger between AT&T and T-Mobile requires the consideration of the minority community - ensuring that no segment of American society is an afterthought.

The Merger of AT&T and T-Mobile Advances Net Neutrality

There can be no dispute that a digital divide exists in America.

In the New Testament, Jesus said there will always be poor people in the land. However, despite the pervasiveness of poverty in America, our obligations remain constant to provide all with the tools they need to function in the digital age. Telecommunication technology provides an essential service which promotes employment, knowledge, connectedness, and innovation ? one that all people, regardless of economic status, should be capable of participation.

Far too many African Americans and Latinos lack the economic means to acquire the technology that is necessary for access to the internet and other telecommunication services. NBCI believes that the US government (and the private sector) has a moral and legal obligation to insure hat all American share technological equality particularly access to high speed internet. Without a commitment to net neutrality, millions of parishioners and churches within the NBCI network will remain victims of the digital divide.

NBCI is a proponent of net neutrality. Net neutrality emphasizes:

- ? Community and consumer access to the lawful internet content
- ? The ability to choose the applications and services of their choice from the applications and

services available within the marketplace

? The ability to connect to legal devices

? Open competition among network providers, application and service providers, and content providers.

People of faith increasingly rely on telecommunication technology to communicate, share experiences and support the faith based community. For NBCI member churches, often without significant budgets, the public platform that the internet provides allows for free speech, equal opportunity and the ability to share messages of faith.

NBCI believes the proposed merger will advance net neutrality for members of the NBCI network by creating a company capable of providing the best services available to all. AT&T's history of diversity demonstrates that with the enhanced resources of the merger AT&T will champion opportunities for people of color. This is of supreme import as NBCI's. These 15.7 million Americans nationwide expect an equal playing field and the demolition of racial disparities.

NBCI recognizes the need for regulatory oversight that protects the consumer and community interests. To that end, NBCI encourages federal involvement while promoting the advancement of innovation and supporting business models that serve all segments of American society.

The Interests of NBCI's 70,000 Small Business Members Are Advanced by a Merger between AT&T and T-Mobile

Among the 15.7 million NBCI members, 70,000 are small and personal business owners. These NBCI small business owners hire almost a quarter of a million employees and contribute money and in-kind resources to their communities. They are the economic backbone of their community. However, small Black business owners face a disproportionately small work force that elicits a critical need for access to technology. If we just look to the Black business community, the latest census reports show that while the black business community was fast growing, the majority of Black businesses around the country employ one employee and generate less than \$60,000 a year in gross revenues.

In the midst of this multiyear economic downturn, double digit unemployment in the African American and Latino community, and a growing global economy, small businesses rely on technology tools to develop and sustain their business. Small businesses must have access to the best possible broadband and other essential telecommunication services to remain relevant, buoyant, and successful. In order for small business to grow, the spectrum issue must be addressed.

Access to this type of technology is even more critical considering small business' critical role in the American economic landscape. According to the U.S. Small Business Administration, small firms represent 99.7 percent of all employer firms, pay 44 percent of total U.S. private payroll, and have generated 64 percent of the net new jobs over the past fifteen years.

Central to coming to a conclusion on whether or not to support the AT&T/T-Mobile Merger, was to answer the question on who was telling the truth - Sprint or AT&T - concerning the need for more spectrum by AT&T for growth and innovation.

Sprint agrees in the below excerpts from a letter to NBCI:

If I read your question correctly, you are asking whether AT&T is asserting that it faces a spectrum shortage to rationalize or justify what in reality is a merger designed to preempt the possibility that

AT&T -- no longer enjoying iPhone exclusivity -- will face stronger competition going forward.

We at Sprint believe that is exactly what AT&T is doing. Why? Because asserting that it faces a broadband spectrum shortage fits well with the FCC's and the Administration's goals of making more spectrums available for wireless broadband services over the next three to five years. Indeed, the centerpiece of the FCC's National Broadband Plan is voluntary give-backs of broadcast spectrum for the FCC to auction to support wireless broadband -- a process that could take 3-4 years to complete successfully -- which is by no means certain since voluntary spectrum give-backs are a new and untried approach in the U.S. Thus, AT&T is essentially asserting that the government hasn't made more spectrums available soon enough to meet the growing demand for wireless broadband services, and therefore AT&T must have T-Mobile's spectrum to continue serving its customers. So, this is a convenient and potentially appealing rational to support a controversial merger than would fundamentally change the competitive structure of the wireless industry.

The problem with AT&T making that argument, however, is that the facts contradict it. AT&T already has more licensed spectrum than any other wireless carrier in this country. Yet, AT&T is today only using about 60 percent of its spectrum; it has yet to serve a single customer on its "beachfront" broadband-suitable 700 MHz spectrum or its substantial holdings in the AWS spectrum band. On average, AT&T is "warehousing" more than 40 MHz of spectrum across the nation. How much is that? Almost as much spectrum as seven television broadcast stations; in fact, it's the amount of spectrum the FCC gave the two initial cellular licensees combined in the early 1980s. Stated differently, it's about 10 MHz less than T Mobile's entire spectrum holdings!

I take your point that your small businesses will need greater bandwidth as they grow in the future and you ask whether that's also true for AT&T. Sure it is; all wireless carriers will eventually need more spectrums to meet growing broadband demand. But spectrum is only one side of the equation, the other side is getting the most from the spectrum you have. AT&T just prefers as a business decision to buy out its competitors, rather than invest in its network.

The bottom line: AT&T already has plenty of unused spectrums to support broadband growth well into the future. AT&T can use its industry-largest licensed spectrum holdings far more efficiently than it does today and achieve far more subscriber capacity by deploying more efficient network architecture and technology. These solutions are available now and are being used by carriers across the globe to get more capacity from their spectrum assets without the higher prices, lower quality and less innovation that AT&T would visit on consumers by eliminating one of only four national wireless competitors. From an FCC perspective, these are compelling reasons to find that the proposed merger is not in the public interest.

On the other hand, AT&T counters this argument by stating in a letter to NBCI:

Sprint's arguments boil down to two points: AT&T is "warehousing" spectrum and AT&T doesn't invest enough. Both allegations are demonstrably false.

Warehousing Spectrum:

As we discussed, AT&T already runs two networks for our current customers -- using older 2nd generation and 3rd generation technologies. Our current customers' devices are built to work on those networks and we've deployed significant amounts of spectrum to keeping those networks going as we've seen the 8000% growth in data traffic over the last four years. In addition, we are planning to launch the most advanced wireless technology -- LTE -- this year. We have dedicated spectrum at 700 MHz and AWS, which Sprint references in its Email, to this newest technology. So, contrary to warehousing it, we are expecting that it be fully utilized by the newest LTE service. Our customers will only migrate to the new technology gradually, as they will need new devices to use the new service. That's why we must keep our 2nd and 3rd generation networks up and running so that there can be gradual transition. Our current plans (without the T-Mobile deal) will allow us to meet 80% of the US population with LTE. With the deal, we will be able to reach more than 97% -- 55 million more than under current plans.

Investment: AT&T has invested \$75B to upgrade our wire line and wireless networks over the past 4 years -- capital investment more than any other company in the United States. (Our CEO made this point in his sworn testimony before Congress.) These capital investment numbers do not include an additional \$21B to acquire spectrum and expand our network footprint. In 2010 alone AT&T spent \$20.3B in capital investment>

We would be happy to speak with you in more depth about this or to provide you with our FCC and Congressional filings that discuss these facts as well.

We assessed over 4,00 pieces of literature, unpublished and published, in an independent manner, and concluded that AT&T is accurate in its assessment of needing more spectrum for growth and AT&T is accurate that it will provide greater spectrum use with this merger.

The proposed merger is an economic stimulus for small businesses nationwide as it will allow AT&T and T-Mobile to dramatically expand data technologies currently beyond the reach of many current small business owners.

This merger will create more than \$21 billion in incremental infrastructure to enable the nation's high-tech industry, innovation and economic growth. An expanded digital infrastructure will reduce the costs of starting and running a small business, lower competitive barriers, open new markets and industries to small businesses, and lead to the creation of new business models. Technology must

become cheaper and easier to deploy and use for the prosperity of NBCI's small business members. NBCI small business members can ill afford to be excluded from contract competition; their very livelihoods depend on their ability to modernize along with their big-business competitors.

Additionally, this merger will produce an infusion of funding for minority businesses. AT&T is a corporate diversity leader - people of color represent one third of its workforce, a robust diversity supplier program contributes to their success, and AT&T's goal is to bring its corporate mission of inclusion to T-Mobile. These diversity and equality efforts speak to AT&T's ability to create long-term corporate policies and hiring practices that will benefit African Americans.

Our motives are driven by the members of NBCI but benefit a larger demographic ? by allowing small businesses to flourish we nourish the economy and protect our members. The benefits of this upswing translate into prosperity for all.

The AT&T and T-Mobile Merger Advances Needed Broadband Access

Broadband technology is closing the digital divide. The growth of broadband technology must continue to prevent further disparities in technology access.

As noted by the Pew Internet and American Life Project;

African-Americans and English-speaking Latinos continue to be among the most active users of the mobile web. Minority cell phone ownership is greater than whites and minority cell phone owners take advantage of a much greater range of their phones' features compared with white mobile phone users.

The progression toward expanded broadband technology will be accelerated by the AT&T/T-Mobile merger as the merged entity will increase broadband access and ease the challenges of the spectrum crunch.

This merger would serve the particular needs of the African American community to bolster the impressive broadband internet usage growth they have experienced in recent history. As noted in Pew Internet and American Life Project,

After several consecutive years of modest but consistent growth, broadband adoption slowed dramatically in 2010. Two-thirds of American adults (66%) currently use a high-speed internet connection at home. The lack of growth in broadband adoption at the national level was mirrored across a range of demographic groups, with African-Americans being a major exception. Broadband adoption by African-Americans now stands at 56%, up from 46% at a similar point in 2009. That works out to a 22% year-over-year growth rate, well above the national average and by far the highest growth rate of any major demographic group. Over the last year, the broadband adoption gap between blacks and whites has been cut nearly in half?

African-Americans and English-speaking Latinos continue to be among the most active users of the mobile web. Cell phone ownership is higher among African-Americans and Latinos than among whites (87% vs. 80%) and minority cell phone owners take advantage of a much greater range of their phones' features compared with white mobile phone users. In total, 64% of African-Americans access the internet from a laptop or mobile phone, a seven-point increase from the 57% who did so at a similar point in 2009.

The AT&T and T-Mobile Merger Will Advance the Development and Use of Technology Designed to Benefit Faith Communities

Increasingly, churches are relying on social media networks like Facebook and Twitter to deliver messages of faith and communicate church events. In addition, many churches have turned to private church community networks outside of the mainstream sites that are available to the general public.

The telecommunication industry has made little effort to serve this vast market. All sectors of society turn to the church for help, in one way or another. Due to the complexity of the Church's role as a dual provider of both moral authority and social services, up to date technology services must be in place within the Church to adequately manage these responsibilities. One of the responsibilities of the Church that has been aggressively utilized in the past five years is the Church's disaster management response. Our challenge has been to maintain the level of care society has come to expect while addressing the complications of cost, access and long term presence. Technology is essential to improve this important component of Church charity ? we believe that now is the time to address this issue making the timing of this merger particularly relevant.

Churches are also beginning to use their own unique websites to both draw in and retain members. Churches frequently engage user tracking technology to see what new member prospects are visiting when they link to the Church's website, and are now in a new era of sophistication in terms of web design and content that is well-suited to online visitors.

Church websites are also critical in soliciting donations, managing events, and having a quick and direct link for congregants and interested parties when breaking changes happen in the community.

Just as radio and television created important opportunities for the faith based community, current technologies demonstrate the connection between communications and achievement of important faith and social justice goals. This merger will fuel conversations and partnerships between the technology industry and the faith based community.

NBCI acknowledges the potential power of a partnership between the faith based community and the technology industry. We urge the Commission to consider this potential, and the growing concerns of the faith-based community as the merger is evaluated.

A coalition of Christian churches and the Islamic Society of North America has launched a new campaign to bring broadband to everyone in the US so that "our poorest communities, our rural areas, our public libraries, our public schools, and community centers" benefit from the communication revolution. Given that our parishioners are likely to use the internet more often and

much longer than other telecommunication tools the necessity of online church communications grows with their usage.

The proposed AT&T/T-Mobile merger could spark the development of services dedicated to addressing the unique needs of faith based communities ? a benefit that NBCI cannot ignore.

Conclusion

The proposed AT&T/T-Mobile merger will insure that all segments of American society, particularly African Americans, can access technology and help close the digital divide. AT&T and T-Mobile will enhance broadband; ease the spectrum crunch, and fuel innovation. These developments are imperative to the 15.7 million NBCI members who deserve net neutrality, enhanced opportunities for small businesses, and a partnership with the technology industry that advances the needs, concerns and aspirations of the African American and Latino faith community.

Therefore, as NBCI's only condition for this merger, we are requesting that the FCC import a one year moratorium on any cost increase for all T-Mobile customers---any fees should also be frozen for a year as well.

As an amicus curiae, NBCI respectfully requests that the Federal Communication Commission recognize the public interest of the merger as it considers approval.

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Respectfully submitted,

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